

**MINUTES OF SPECIAL HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD BY
CONFERENCE CALL ON THURSDAY, MARCH 24, 2005**

A special meeting of the Missouri Highways and Transportation Commission held by conference call on Thursday, March 24, 2005, was called to order at 12:00 p.m. by Chairman Marge Schramm. The following Commissioners were present: Bill McKenna, Vice Chairman, James B. Anderson, Duane S. Michie, and Wallace S. Hartsfield. Having given notice of a prior commitment, Commissioner Larry D. Webber was absent.

The meeting had been called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was given in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

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Mr. Pete Rahn, Director of the Missouri Department of Transportation; Mr. Rich Tiemeyer, Chief Counsel for the Commission; and Mrs. Mari Ann Winters, Secretary to the Commission, were present on Thursday, March 24, 2005.

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*"Department" or "MoDOT" herein refers to Missouri Department of Transportation.
"Commission" or "MHTC" herein refers to Missouri Highways and Transportation
Commission.*

LEGISLATION – RETIREMENT SYSTEM CONSOLIDATION PROPOSAL

The Commission discussed with Director Pete Rahn and Retirement System Director Norm Robinson proposed legislation to combine the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) and the Missouri State Employees' Retirement System (MOSERS). As a result of the discussions, Commissioner Michie moved approval of the MoDOT staff recommendation to support legislation to consolidate MPERS and MOSERS in substantially the form as Draft House Substitute for House Bill 333, provided that it is amended to address the following concerns:

1. **Employer Contribution Rate/Funding** – Clarify that the employer contribution rate phase-in procedure will result in an increased contribution rate for the members of MOSERS and a corresponding decrease in the contribution rates for the uniformed and non-uniformed members of MPERS.
2. **State Road Fund Diversions** – Clarify that state revenue from highway users will not be diverted from Constitutional purposes.
3. **Employee Benefits** – Clarify that MHTC will retain authority for the existing medical and life insurance plan and assume authority for the existing disability plan.
4. **Board Governance** – Add one MHTC member, the MoDOT Director and the Missouri State Highway Patrol Superintendent as permanent members of the MOSERS Board of Trustees.
5. **Job Security for MPERS Staff** – Provide that the Boards of Trustees for MOSERS and MPERS shall enter into an agreement, prior to the consolidation, addressing job security for MPERS staff.

In response to a suggestion from Commissioner Anderson that the Commission

not tie its action to a specific bill in order for the action to be applicable to all proposed legislative measures pertaining to this issue, Commissioner Michie withdrew his motion.

Commissioner Anderson then moved that the Commission support consolidation of the MPERS and MOSERS retirement systems provided the five conditions listed below were met.

1. **Employer Contribution Rate/Funding** – The employer contribution rate phase-in procedure must result in an increased contribution rate for the members of MOSERS and a corresponding decrease in the contribution rates for the uniformed and non-uniformed members of MPERS.
2. **State Road Fund** – State revenue from highway users must not be diverted from Constitutional purposes.
3. **Employee Benefits** – MHTC must retain authority for the existing medical and life insurance plan and assume authority for the existing disability plan.
4. **Board Governance** – One MHTC member, the MoDOT Director, and the Missouri State Highway Patrol Superintendent must be permanent members of the MOSERS Board of Trustees.
5. **Job Security for MPERS Staff** – The Boards of Trustees for MOSERS and MPERS must enter into an agreement, prior to the consolidation, addressing job security for MPERS staff.

Commissioner McKenna seconded the motion and it was approved unanimously.

The Commission asked Director Rahn to ensure that employees of MPERS, MoDOT, and the State Highway Patrol work together to develop a communication on the Commission's action for distribution by the Director to MoDOT and State Highway Patrol employees.

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By unanimous vote of all members present, the meeting of the Commission was adjourned.

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